

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

PETITION OF UNITED CITIES GAS
COMPANY FOR APPROVAL OF A
FRANCHISE AGREEMENT WITH
MURFREESBORO, TENNESSEE

03 JAN 6 PM 4 21

IN REGULATORY AUTHORITY

) Docket No: 02-00391

**DIRECT TESTIMONY OF
JAY MURRAY**

- Q: Please state your name, place of employment and title.
- A: My name is Jay Murray. I am employed by United Cities Gas Company¹ as the Operations Supervisor for Murfreesboro, Tennessee.
- Q: In your capacity as Operations Supervisor for United Cities, are you familiar with the natural gas distribution system operated by United Cities in Murfreesboro, Tennessee?
- A: Yes. I am very familiar with the operation in Murfreesboro and the other adjoining communities that are served by the system.
- Q: Please give the authority an overall description of the Murfreesboro, Tennessee system and the customers served.
- A: The total number of linear feet of pipe in the Murfreesboro, Tennessee system which serves both residents inside and outside of the City is approximately 2.9 million linear feet. Of the total amount of pipe, approximately 1.4 million linear feet is located outside of Murfreesboro city limits but is interconnected and dependent upon the distribution system located within the city limits of Murfreesboro, Tennessee.

¹ United Cities Gas Company is an unincorporated division of Atmos Energy Corporation doing business in Tennessee as United Cities Gas Company. As indicated by a recent tariff filing, Atmos Energy Corporation has elected to cease doing business as United Cities Gas Company, and to instead use the company's legal corporate name, Atmos Energy Corporation. In all proceedings before the Tennessee Regulatory Authority, the terms "United Cities Gas Company" and "Atmos Energy Corporation" have the same meaning and can be used interchangeably.

There are approximately 15,000 customers located within the city limits of Murfreesboro, Tennessee which are served by the natural gas distribution system owned and operated by United Cities. Of that amount, approximately 85% are residential customers and 15% are commercial and industrial customers. The majority of the pipeline in the United City distribution system is located within the public rights of way of the City of Murfreesboro. Without access to these public rights of way, United Cities could not adequately maintain, replace and/or operate its distribution system.

Q: Has United Cities operated a natural gas transmission and distribution system in the City of Murfreesboro for a number of years?

A: Yes, United Cities and its predecessors have operated for many years in Murfreesboro under various franchise agreements with the City. Each of these agreements has allowed United Cities to operate a gas transmission and distribution system within Murfreesboro and to use the public rights of way of the City for its distribution system and related plant and access thereto.

In 1980, the City and United Cities' predecessor entered into a franchise agreement for a term of 20 years, which expired in 2000. In 2000, the City and United Cities successfully negotiated the franchise agreement currently before the Authority for approval, which is for a term of 15 years.

Q: In your opinion is the continued operation by United Cities under the franchise submitted for approval to the Authority in this proceeding in the public interest?

A: By all means. Without this franchise, United Cities would be unable to feasibly operate, maintain, replace and/or extend the service to the customers it currently serves. In addition, there are no other feasible options for the supply of natural gas to the vast majority of the customers currently served by United Cities in Murfreesboro. These customers depend on United Cities to supply natural gas to their homes and businesses.

Q: At some point in 2000, did United Cities approach the City of Murfreesboro with regard to negotiating a new franchise agreement.

A: Yes. We hired you, Joe, to negotiate the new franchise agreement with Mr. Thomas Reed, city attorney for Murfreesboro. United Cities and the City eventually reached an agreement on the language of the new franchise, which was approved by the City Council in early June 2000.

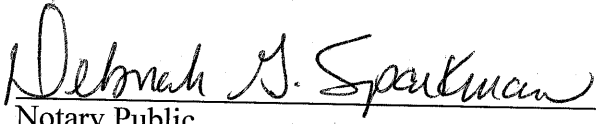
Q: What is your opinion in regard to the necessity of the approval of this franchise agreement?

A: The franchise agreement is necessary and proper for the public convenience and properly conserves and protects the public interest of the citizens of Murfreesboro, Tennessee.

No further questions.


Jay Murray

Sworn to and subscribed before me
this 6 day of January, 2003.


Notary Public

My Commission Expires: 9-25-04

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following person(s), this 10th day of January, 2003.

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By: Joe Loma of firm ep